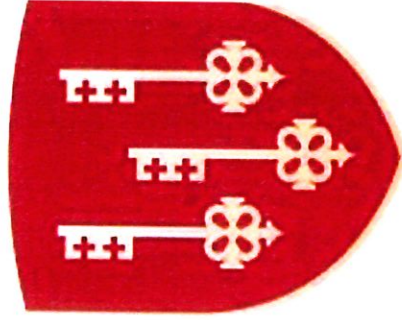


**ELY CATHEDRAL**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2017**



**ELY CATHEDRAL**

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## ELY CATHEDRAL

1.

### ADMINISTRATIVE DETAILS

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#### Chapter

The Very Reverend M Bonney (Dean)  
The Reverend Canon Dr V Johnson  
The Reverend Canon Dr J Garrard  
The Reverend Canon Dr J Martin  
Mr T Walters (joined 26 March 2018)

The Reverend Canon H Shilson-Thomas  
Canon T Green DL (resigned 28 February 2018)  
Canon S Squire (resigned 24 July 2017)  
Canon T Bellis  
Canon V Avery (joined 25 September 2017)

#### Cathedral Administrator

Canon S Bourne FCA

#### Director of Music

Mr P Trepte

#### Finance Director

Mrs A Binstead FCA

#### Address

The Chapter House  
The College  
Ely Cambs  
CB7 4DL

#### Chapter Solicitor

Taylor Vinters  
Merlin Place  
Milton Road  
Cambridge, CB4 0DP

#### Auditors

Price Bailey LLP  
Chartered Accountants & Statutory Auditors  
6 High Street  
Ely Cambs, CB7 4JU

#### Bankers

Barclays Bank Plc  
28 High Street  
Cambs, CB7 4LA

#### Investment Managers - Chapter

Investec  
2 Gresham Street  
London  
EC2V 7QP

#### Surveyor to the Fabric

Mr Clive England  
Thomas Ford & Partners  
177 Kirkdale  
Sydenham  
London  
SE26 4QH

#### Investment Managers – Ely Cathedral Trust

CCLA  
80 Cheapside  
London  
EC2V 6DZ

#### Finance and Investment Committee

Mr W C M Dastur -Chairman  
Canon T Green DL (resigned 28 February 2018)  
Mr R P Slogrove  
Mr A Kyndt  
Mr G Lynn  
Mr T Walters (joined 26 March 2018)  
Canon T Bellis

#### Fabric Advisory Committee

Mr D A H Richmond – Chairman  
Mr P Orchard  
Dr J Liffen  
Mr J Musson  
Mr G Morrison  
Mrs S Latham  
The Rt Reverend S Platten  
Mr R Halsey

#### Trustees – Ely Cathedral Trust

Mr R P Slogrove -Chairman  
The Very Reverend M Bonney  
Mr C F M Rawlinson MBE  
Canon T Green DL (resigned 28 February 2018)  
Mrs J Lewin-Smith DL  
Mr I Pattinson  
Canon P Evans (joined 27 February 2017)  
Rev Canon Dr J Martin  
Canon T Bellis (joined 26 March 2018)

ELY CATHEDRAL

2.

ADMINISTRATIVE DETAILS – Cathedral Council

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Chair  
Lord Wilson of Dinton

The Dean  
The Very Reverend M Bonney

Bishop's Council Representative  
VACANT

Appointments Committee of the Church of England Representative  
Mr G Lynn

Bishop's Representative for Education Representative  
Mr A Read

Bishop's Nominee  
Mrs J Pearson, DL

Cathedral Congregation Representative

Mrs M Rone  
Mr R Skelton  
Mr E Gifford

Cambridgeshire Ecumenical Council Representative  
The Reverend P Whittle

College of Canons Representative  
The Reverend Canon F Brampton

Chapter Representative  
The Reverend Canon Dr J Garrard  
The Reverend Canon Dr J Martin

Diocesan Synod Representative  
Mr I Mackellar  
Mr S Kershaw

Cathedral Employee Representative  
VACANT

Local Government Representative  
Mr F Burkitt

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**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Chapter of Ely Cathedral is a corporation with its own seal, charged with the government of Ely Cathedral. Its functions are regulated by the Constitution and Statutes of the Cathedral which date from 1541, with some later amendments, the latest of which comply with the Cathedrals Measure 1999. As expressed in Section 1 of the Cathedrals Measure, the mission, activities and achievements of the Cathedral stem from its role as "The Seat of the Bishop and a centre of Worship and Mission".

**The Cathedral's Vision and Mission**

Chapter has a vision of Ely Cathedral as an outward looking community, **engaging** and responding to the challenges of the world around; bringing people to faith, making new disciples and **growing** the congregation numerically and **deepening** them spiritually; and doing so through inspiring and transformative worship, engaging and challenging preaching, and a warm welcome and generous hospitality. Chapter would like to see everyone who engages with Ely Cathedral saying "**Ely Cathedral makes a difference**".

Chapter fully aligns itself with the Diocesan Vision statement "**We pray to be generous and visible people of Jesus Christ**" and its critical imperatives to **engage, grow and deepen**.

This is all encapsulated in the Cathedral's Mission Statement to be a community "**Joyfully proclaiming the love of God in worship, outreach, welcome and care**".

The Cathedral Strategic Plan, available on the Cathedral website, continues to be reviewed and updated on a regular basis. Chapter met 10 times during the year. The Dean was on study leave for the last three months of the year and Cannon Garrard was Acting Dean. Canon Squire resigned from Chapter after four years of dedicated service, and we were delighted to welcome in her place Canon Victoria Avery.

As well as routine governance work, Chapter receives a report from and has a discussion with each of the Senior Managers at one of the Chapter meetings. The Director of Finance reports to the Chapter every month. Within the Strategic Plan, Chapter are focusing on four particular goals: congregational growth and development; offering inclusive, generous and high quality hospitality and care; being a place of prophetic outreach and engagement; and having a financially secure base to support its mission. Part of that secure base continues to be the need to keep the fabric of the Cathedral in good repair and ensuring that its commercial activities are sound and well managed. Chapter is committed to ensuring that their Safeguarding policies are up-to-date, and that training of staff and volunteers is in place, and Canon Johnson has oversight of this and we have been working very closely with the Diocese on the provision of training. Because of the administrative weight of this and other regulatory requirements, a member of staff moved to a new role of Resources and Compliance Officer. A new post of Visitor Experience Manager was also created to improve our offering in this area, with a particular aim to increase visitor numbers and revenue.

Particular achievements in relation to the Strategic Plan have been: the completion of the new Octagon altar, dais and furnishings; working closely with the Diocese on developing a diocesan Rule of Life; securing funding for a digital model of the interior of the Cathedral; a hugely successful Science Festival in May/June which brought a wide range of people to the Cathedral who have never been here before following its excellent refurbishment Chapter secured a tenant (the Diocese of Ely Multi-Academy Trust) for the Grace building which it had acquired last year; development of a much increased online and digital presence, alongside the continual improvement of activities all centred on our daily offering of praise and prayer.

The Cathedral's Masterplan was published at the beginning of the year and discussions have been held with representatives from the Heritage Lottery Fund and with consultants who assist with the preparation of HLF bids. These have been very helpful and Chapter is working at refining what it is seeking to do in the light of them. Chapter is very aware of the considerable financial commitment involved and the need not to overextend in this area and no firm decisions have been made at present.

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**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017**

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As stated in the 1999 Cathedrals Measure, the purpose of the Cathedral is to be “the seat of the Bishop and a centre for worship and mission”, so Chapter is particularly aware of its role as mother church of the Diocese, which comprises over 300 parishes. Chapter’s aim is that the Cathedral should be a spiritual, educational and cultural resource for the Bishop and the Diocese.

The Cathedral has been used by the Diocese for a number of special services, ordinations, licensings, baptisms and confirmations. Parishes visit the Cathedral, and the clergy preach around the Diocese and beyond on a regular basis. We are most supportive of the Diocesan Strategy and ensure that Chapter’s vision and mission is in tune with the developing work there.

Chapter is assisted in the running and organisation of the Cathedral by a small professional staff and by specialist advisory committees. These committees cover Education, Finance and Investment, Health and Safety, safeguarding, Marketing, Mission and Outreach, Pastoral Care and Cultural Events.

**Cathedrals Measure**

Pursuant to the Cathedrals Measure, Chapter has eight members: the Dean, three residentiary Canons, one non-residentiary Canon and three Lay members. The Dean is appointed by the Crown, while the residentiary Canons and other members are appointed by the Bishop of Ely after consultation with Chapter. Changes in these appointments are handled similarly. All new members are provided with appropriate information and induction upon joining. Also provided for in the Cathedrals Measure is a Cathedral Council, with representation from the Bishop’s Council, the Diocesan Synod, the Cathedral congregation, the Cathedral Chapter and the Honorary Canons, as well as from the wider community. The Council’s brief is to consider proposals submitted by Chapter regarding the mission and general direction of the Cathedral, as well as to consider the annual budget and accounts.

The College of Canons’ brief is to consider the annual accounts, wider interests of the Cathedral and to be summoned by the Dean to elect a bishop in the event of a vacancy.

**Safeguarding****Review of 2017**

- Ely Cathedral is committed to safeguarding all those who attend the worship and other activities that we offer.
- Ely Cathedral accepts the prime duty of care for children and vulnerable adults.
- Ely Cathedral follows recommended safeguarding practice in recruiting, training and supporting our ordained and lay ministers, our employees and our volunteers.
- Ely Cathedral follows the advice, guidance, policy and practice of the Church of England in promoting a Safer Church. The Church of England Safeguarding Policy Statement for children, young people and adults is available on the Cathedral Website on the Safeguarding page as well as the current Cathedral Safeguarding Policy Document.

In the past year the Cathedral has been implementing and embedding Safeguarding Policy and Practice issued by the National Church and under the Guidance of the Diocese of Ely Safeguarding Advisor.

**Chapter Roles and Responsibilities**

Safeguarding is a standard agenda item at Chapter Meetings and Chapter receive updates of ongoing policy and practice in this area. Chapter have identified Safeguarding as a ‘red risk’ in the current cathedral risk register. In 2017, Chapter received the recommended roles and responsibilities document and discussed accordingly. Chapter accepted the Church of England Practice Guidance on Safeguarding Training and Development (2017), and the Church of England Policy Statement on Safeguarding.

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**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017****DBS Applications**

There were 20 new DBS applications in 2017. Many of these were due to the new Overseas Student Guide Group that was formed in the Cathedral. We also had a number of new education guides which also contributed to that number. We have a system for tracking those who need to update their DBS, Confidential Declarations and undertake Safeguarding Training. All volunteers who need a DBS have a valid one, although some are coming up for renewal. All DBS Applications are mediated through the Diocesan Safeguarding Team.

**Confidential Declarations**

A recent renewal exercise has started for all volunteers where a confidential declaration has expired. Every new member of staff and every new volunteer has to complete Confidential Declarations prior to starting in their role. All active volunteers have their own file for correspondence and the Cathedral is finalising a volunteers audit to ensure everyone active has safeguarding compliance.

**Safeguarding Training**

The Cathedral has taken the decision that all new volunteers and staff members will be required to complete CO online training before starting work. Depending on their position they could be required to complete higher level training. The Cathedral has implemented the Church of England Safeguarding Training and every new volunteer and member of staff has to complete CO Safeguarding Module. Those working in regulated or supervisory activities are required to complete CO plus additional modules as required. Most new volunteers and staff complete their training online which seems to have been well received. In 2017, 64 people completed CO Safeguarding training. All volunteer training events in 2017 included a short section on current Safeguarding Policy and Practice in the Cathedral.

**Cathedral Safeguarding Group**

In 2017, there has been one meeting of the newly formed Cathedral Safeguarding Group. The group was set up in 2016 to discuss all aspects of Safeguarding Policy and Practice across the Cathedral. In 2018 there will be two meetings which the Dean will attend.

**DSL**

The Chapter Safeguarding Lead is also a member of The Diocesan Safeguarding Liaison Group.

**Relations with King's Ely**

The Chapter Safeguarding Lead has termly meetings with KE Safeguarding Leads to discuss issues relating to Choristers specifically. In addition, KE now recognise Church of England Safeguarding Training as something which fulfils their compliance requirements.

**Casework**

The Chapter Safeguarding Lead and Diocesan Safeguarding Advisor have attended one multi-agency Strategy Meeting with Cambridgeshire LADO in relation to a specific case relating to a former member of Cathedral Staff.

**Review of Archives**

Chapter commissioned the Cathedral Archivist to examine archive material for any information relating to what would now be considered a Safeguarding issue. Information found was deposited in Safeguarding Files accordingly.

**Safer Recruitment**

The appointment of an HR and Compliance Officer has helped embed Safer Recruitment in the life of the Cathedral. In January 2018, the Cathedral organised a Safer Recruitment Training module for those directly involved in the recruitment and training of staff and volunteers across the cathedral.

**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017****Internal Independent Audit**

Chapter will commission an independent audit of a 'high risk' department (Music) in 2018, which will be lead by the Diocesan Safeguarding Manager from Chelmsford Diocese. This is in anticipation of Independent Safeguarding Audits commissioned by the Church of England and means of preparing for that.

**Cathedral Safeguarding Advisor**

Currently Rebecca Boswell acts as Cathedral Safeguarding Advisor by arrangement with the Diocese. This arrangement has worked very well and will be reviewed in early 2018.

**Other Entities**

Chapter is closely linked to two other entities, whose activities are reflected in the Cathedral Accounts. **The Ely Cathedral Trust** is constituted under a Trust Deed dated 16 October 1972 and is a registered charity no. 264803. The objective of the Trust is to apply the Trust Fund to the repair and maintenance of the Cathedral fabric; the repair and maintenance of the organ and other appurtenances of the Cathedral; the support and advancement of the Cathedral Choirs; the repair and maintenance of secular buildings occupied or used for purposes connected with the Cathedral; and in other ways to support the work of the Cathedral. Trustees are appointed by the Cathedral Chapter, but the Trustees exercise full control over the affairs of the Trust. An Annual Report and Financial Statements are published separately. **Ely Cathedral Enterprises Ltd** is responsible for the trading activity of the Cathedral. Its directors during the year under review were the Dean, the Cathedral Administrator, Mr Adrian Kyndt and Mrs Lesley Ann Thompson and its affairs were conducted in accordance with the Companies Act 2006. An Annual Report and Financial Statements are published separately. It should be noted that **The Friends of Ely Cathedral CIO** is not consolidated into the accounts of Ely Cathedral, as it is an organisation that is independent of Chapter. Its accounts are published separately.

**Worship**

The primary purpose of the Cathedral is to offer worship to God. This may currently be divided into six categories:-

- a) Daily worship. The offices of Morning and Evening Prayer and the Eucharist are offered in the Cathedral every day. Compline is sung once a week in Lent and Advent. During the summer months prayers are offered in the Cathedral every hour by a team of Chaplains.
- b) The Sunday Holy Communion, the Sung Eucharist (which attracts 200-300 people each week) and Choral Evensong.
- c) Diocesan worship in the form of confirmations, ordinations and other special diocesan gatherings.
- d) Services with laying on of hands for healing; and other occasional services.
- e) Major acts of worship for local, county and national organizations, including services for the military, local authorities and to mark national occasions. The Cathedral is the centre for King's School Ely services.
- f) 'Space': a monthly 6.30pm service of 'alternative worship' which is held on the second Sunday of each month.

**Music**

The music and liturgical worship offered in the Cathedral in 2017 continued to maintain the highest of standards. Girl and Boy Choristers and Men sing in a developed pattern where all voices are heard on their own and at other times all together. The Cathedral's voluntary choir Ely Cathedral Octagon Singers have continued to be very strong and an essential part of our rota of Cathedral choirs and a new Community Choir, under the directorship of the Reverend Canon Dr V Johnson, has been formed.



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**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017**

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Warm thanks are extended to Paul Trepte, Sarah MacDonald, the Director of the Girls' Choir, Alex Goodwin, the Girls' Choir's Assistant Organist, and Edmund Aldhouse for all that they do, especially in the light of the challenges of chorister recruitment. Edmund Aldhouse, Rebecca Duckworth and Anne Mizen also deserve many thanks for their roles in the work of the Ely Imps, which, despite other choirs for similar age groups springing up, have maintained good numbers and been involved with several concerts on their own and in collaboration with other Cathedral choirs, to much acclaim and pleasure.

**Cathedral Links**

Ely Cathedral has strong links with the parish of St John at Hackney and with Zanzibar Cathedral. With the help of a grant from the EU/World Monument Fund, Zanzibar Cathedral has been able to restore the important heritage site on which it stands and has set up an anti-slavery education centre. We are delighted that the Ely Cathedral community has contributed generously to the restoration of Zanzibar Cathedral and it has been our privilege to send an occasional delegation from Ely to Zanzibar, to witness the development works and the progress of the Christian mission on Zanzibar Island. The Cathedral also supports the Diocese of Ely's links with Vellore in India, the Nordkirche in Germany and the Diocese of Kigali in Rwanda.

Our links with other churches in Ely remain healthy and dynamic, demonstrated by a number of annual joint services and other activities. Working with our local ecumenical partners and other agencies, Ely Foodbank and CAP debt centre continue to provide a valuable service within a 15-mile radius of Ely. The demand for the Foodbank and debt advice illustrates the very real poverty and the growing wealth gap that exists within our area.

**The Ely Cathedral Centre**

The Cathedral Centre occupies an important place within the City of Ely, offering space for both charitable and commercial meetings. Operated as a low-level business that supports the Cathedral's mission, its users include mothers' groups, youth projects, meditation sessions, Age UK, counselling organisations, employment training workshops and child protection agencies, in addition to business customers and local councils.

**Working with Children and Young People**

Schools continue to value the unique experience which a visit to the Cathedral offers. Working together with teachers and other education providers, we are able to ensure that visits meet the requirements of the new National Curriculum.

Our holiday 'drop-in' sessions continue to expand and have been moved into the Lady Chapel. These often attract over 100 children and their families each day they are running. High quality activities give children the opportunity to explore the building and the Christian story. They offer a real service to the community and attract local people who would not normally visit the cathedral.

We also run regular activities for young children through Junior Church and Edward Bear Club.

The Education Department is now well settled into its new offices in the Old Library within the Cathedral. Visiting school groups are also benefiting from Chapter's investment in a remodelling of Powcher's Hall, which now provides for two elegant function rooms on the ground floor, together with toilet facilities.

**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017****Mission to Adults**

Thanks to our excellent marketing department and increased use of social media in a number of forms, the Cathedral continues to increase its visitor footfall despite difficult economic circumstances. Every day, through the tremendous work our Welcome team, Day Chaplains, and Guides, (alongside leaflets, notices and the many 'spiritual opportunities' around the cathedral,) people who come into the Cathedral as Tourists leave as Pilgrims, having encountered Christ among us. We simply could not operate without our dedicated teams of volunteers.

Although the Cathedral has much to offer visitors internally, there is little to guide visitors around the monastic precinct. With this in mind, and building on the previous work they had done for us in producing a Cathedral 'App', we commissioned the Department of Christianity and Culture at York University to build a digital model that illustrates the development of the Cathedral and its monastic community. It has now been installed and has generated considerable interest among both adults and young people allowing them to gain new insights into the history of the Cathedral and, indeed, the Isle of Ely. We are very grateful for the financial support of the Friends of Ely Cathedral and other benefactors of this venture.

**Pastoral Care**

The Canon for Congregation and Community has oversight of the pastoral needs of the Cathedral congregation and community, both volunteers and staff, as well as working to develop and deepen the spiritual life of the congregation and a programme for congregational growth. Pastoral work is a team effort and is supported by lay and ordained colleagues to ensure all known needs are met. The Canon for Congregation and Community oversees safeguarding in the cathedral, and is 'first port of call' for the Occasional Offices (Baptisms, Weddings, Funerals/Memorial Services) and is assisted by the Cathedral Pastoral Team (CPT) consisting of twelve members of the congregation. Set up in 2006 the CPT's purpose is to 'enhance the provision of pastoral care for the Cathedral community'. The number of people being supported by the CPT can often be up in the region of eighty. Valuable priestly pastoral support is given by the team of seven Priest Vicars. The Ministry of Healing is available every Sunday at the 10.30 Sung Eucharist and is valued by both the Cathedral community and visiting worshippers. This ministry now involves lay members of the Cathedral community.

Caring permeates every area of Cathedral life. The congregations, Cathedral staff and volunteers support each other and the weekly Coffee Mornings in the Cathedral Centre offer another opportunity for mutual support. Every aspect of Cathedral life is included in the monthly cycle of prayer, which is used at daily morning and evening offices. The Mothers' Union (MU) is the largest branch in the diocese and is held in high regard for its work with its members and with pre-school children (Edward Bear Club). The member of the branch attends every Cathedral baptism service. The MU has an active ministry outside the Cathedral by providing family support in homes and prisons.

**Statistics for 2017 (2016):**

Baptisms – 21 (14)  
 Confirmations – 35 (30)  
 Weddings/Blessings/Anniversaries – 12 (13)  
 Funerals/Memorial Services/Interment of Ashes – 13 (6)

**Concerts and Events**

Ely Cathedral is a popular local venue for concerts and events. In 2017 there were around 30 major events which included concerts, filming, exhibitions, theatre productions, evening functions and our Christmas fair. The planning of all concerts and events is overseen by the Events Management Group. The total revenue raised for Cathedral funds in 2017 was some £186,000. The largest single contribution to this income was from our Christmas Fair, which grows in popularity each year.

An Exhibitions Advisory Committee has been set up, chaired by the Dean. A very successful exhibition of Peter Marlow work "The English Cathedral" was held in Spring 2017.

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**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Fabric**

The Fabric Advisory Committee is a statutory committee whose remit is to:

1. Act as advisers to Chapter, to ensure that the fabric of the Cathedral and its precinct is maintained, preserved and fit for purpose.
2. Work with the Cathedrals Fabric Commission for England to ensure that all work complies with heritage and planning restrictions.

The expertise and advice that the Committee brings is invaluable to Chapter when planning repairs and new projects within the Cathedral.

Essential ongoing repairs and maintenance continued throughout the year at a cost of circa £144,000 (2016 £120,000). In addition to this day-to-day spend, extensive work has been undertaken to repair the South Nave Aisle and finish off the rewiring repairs. Chapter is extremely grateful for grants from the Government's World War 1 Centenary Fund, which have permitted us to undertake the unexciting but very necessary work to replace deteriorating electrical wiring and South Nave Aisle roof, windows and masonry.

**Finance**

Pursuant to the Cathedrals Measure 1999, the Cathedral has a Finance and Investment Committee whose role is to look at overall financial performance and results and advise Chapter on its responsibilities in the fields of finance, investment and risk management. It meets three times a year to discuss management accounts, budgets and the performance of the investment properties and portfolio.

The Cathedral is obliged to present accounts which conform to the Guidelines introduced by the Church Commissioners under Section 27 of the Cathedrals Measure 1999. The major difficulty arising from this format stems from the requirement to aggregate and consolidate the Cathedral Accounts not only with those of the Cathedral's trading company, Ely Cathedral Enterprises Ltd, but also those of the Ely Cathedral Trust. The resulting Consolidated Accounts, while arguably illustrative of the broader financial picture, afford even the practised reader a less than clear picture of the Cathedral's day-to-day operations. For this reason, Chapter has felt it prudent to supplement the Accounts with an additional Statement of Financial Activities and corresponding Balance Sheet confined exclusively to the affairs of the Cathedral, marked 'Cathedral Only'. The 'Cathedral Only' SOFA can be found on page 14 with the corresponding balance sheet on page 16. The accompanying Notes to the Financial Statements between pages 18 and 45 relate to both the Consolidated and Cathedral Only SOFAs and are marked accordingly.

**Results**

The Cathedral Only Statement of Financial Activities showed a Surplus of £170,000 (2016 surplus £1,434,000).

The cost of upkeep of the Cathedral and precinct rose from £1,116,000 in 2016 to £1,169,000 in 2017. This is reasonably consistent year on year.



**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Volunteers and Visitors**

The quality of welcome and care shown to visitors is a key element of the Cathedral's ethos and strategy and we are very grateful for the part played by our volunteers – more than 300 of them – in delivering this. On arrival, visitors are greeted by members of the Welcome Team and Admissions Staff. Cathedral Guides provide regular ground floor tours and, for the more adventurous visitors, tours of the Octagon and West Towers. The Cathedral Stewards play an essential role at all events, concerts and services and support the work of the Operations Team and the Cathedral Vergers. Other volunteers serve as Day Chaplains, intercessors, servers, readers, schools' guides, helpers for the young, Marthas, Flower Guild members, shop assistants, refectory assistants and gardeners. In all, the volunteers assist the Cathedral in some 20 realms of activity. Accordingly, we put considerable resource into training and organising our volunteers.

Paying visitors make a major contribution to the Cathedral's well-being. Chapter regrets the need for a visitor charge and has policies in place to enable local residents and regular visitors to enter the Cathedral free of charge, and to ensure that no one is refused admission on grounds of affordability. Charges for 'Concessions' have been lowered in recent years, and lost revenues are being replaced with new sources of income from enterprise activities. Church members throughout the Diocese may apply for free passes, as may those living within the local CB6 and CB7 postcodes. At the end of 2017, there were 7,548 parish passes (2016: 7,281) (up 3.5% on 2016) and 5,922 local residents' passes in circulation (2016: 4,940) (up 16.5%). In addition, 1,745 Friends of Ely Cathedral (2016: 1,666) and 185 members of the Order of St Etheldreda enter without charge. Young people up to the age of 16 have long been eligible to enter the Cathedral without charge, but the eligibility has been extended to all those in full-time education in the Diocese, including those in universities and other higher education institutions. No admission charges are made on Sundays or for attendance at any act of worship.

**Future planning**

Chapter continues to monitor spending carefully and plan prudently for the future. Day to day activities are planned so as to at least break even, but there is little room for complacency as far as the routine budget is concerned. Chapter monitors the work programme arising from the last Quinquennial Inspection, which continues relentlessly, as does the routine maintenance. Ely Cathedral Trust continues to raise funds in support of these activities, for education and for the music that represents such an important component of worship in our Cathedral.

Reference is made elsewhere in the Report to the progress of Chapter's Masterplanning project, which covers the next 10-15 years. Having developed an initial vision for the Cathedral's aspirations set in the wider context of the needs and hopes of the people of Ely, an extensive programme of consultations took place during 2016 and 2017, resulting in refinements to the initial vision. These will be followed by further consultations, leading to specific designs that will form the basis of an application for the necessary approvals and, ultimately, of a fundraising campaign. Chapter's overall objective is to produce results that will be at once iconic and functional, and which will enhance the City of Ely as place in which to live and as an attraction for visitors from near and far.

**Reserves and investments**

It is Chapter policy to build up its unrestricted reserves which can be invested to generate income for ongoing operational costs of the Cathedral and Chapter. We have achieved this in most of the last few years as the anticipated annual investment income forms a part of our break-even budget at the operating level each year. These unrestricted reserves could also form a financial cushion in the event of fluctuations in budgeted income or anticipated costs, although we have been fortunate over the last few years to be able to accommodate any such fluctuations via our cash reserves rather than having to deplete our investment portfolio.

Chapter aims to hold three months' worth of operating costs as cash reserves so that essential costs, such as staff, suppliers and tax, can be covered without the need to liquidate assets from our investment portfolio, should there be a short-term funding issue. Over the last few years this has been important as we have had to fund several major repair costs in advance of receiving the grants for these projects. This is especially true of the recent WW1 Centenary Funded works.

**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017**

The cash reserves fluctuate throughout the year, as much of our income is seasonal, so at various times during the year (mainly during the winter months) we do not hold three months of cash reserves.

For Ely Cathedral this three month target is in the region of £600,000. We produce a monthly cashflow forecast which is reviewed by Chapter and the Finance and Investment Committee, as well as holding regular discussions between the Finance Director and the Administrator. At 31 December 2017, the Cathedral cash reserves were £196,000, but group cash reserves were £587,000. This falls short of our cash reserves target partly due to the fact that visitor numbers (and thus income from all associated group activities) are not as high as in the summer period and also the fact that we have paid some large amounts of money out on large fabric projects, for which the funding had not been received until early in 2018.

The current unrestricted reserves of £5,448,000 have been generated by a combination of several consecutive years of operational surpluses, combined with the very generous unrestricted donations and legacy income that we received. Our policy is, wherever possible, to invest large donations and legacies so that they are not used for day-to-day operational costs.

Ely Cathedral Chapter currently holds total funds of £6,599,000 (2016 £6,429,000) represented by:

	2017	2016
Non investment assets	£748,000	£538,000
Unrestricted funds held as a property investment	£3,050,000	£2,650,000
Unrestricted funds held as investment portfolio	£2,721,000	£2,552,000
Net current assets (less bank loans and provisions)	£113,000	£689,000

Ely Cathedral Trust holds invested funds of £8,156,000 (2016 £7,524,000) most of which are either endowed or restricted to support the music or the fabric of the Cathedral. These reserves have been built up from a number of sources comprising mainly donations and legacies.

At the year end Chapter held cash balances of £196,000 (2016 £321,000) to support the smooth management of expenditure, which is relatively consistent throughout the year, whereas income has significant seasonal components. It also facilitates the management of major maintenance and repair projects to both the Cathedral and precinct properties. The cash balance of £196,000 includes £31,514 held in the investment portfolio.

Chapter aims to work actively with Ely Cathedral Trust to build up funds to:

1. support the ongoing mission of the Cathedral
2. maintain the choral tradition of the Cathedral
3. proactively maintain the Cathedral and its precincts

**REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017**

Chapter is aiming to build up reserves by:

1. working actively to increase trading and other income
2. allocating any surplus of income over expenditure to reserves
3. being proactive about legacy development and allocating legacy income when possible to our unrestricted reserve

**Investment Policy**

The investment powers of the Cathedral are held under the Cathedrals Measure 1999. Under the Measure Chapter may invest the Cathedrals funds in:

1. land
2. funds administered by investment managers.
3. investments which fall within the powers of the Trustee Act 2000
4. the improvement or development of land belonging to the Cathedral

Apart from the £196,000 (2016 £321,000) held as a cash reserve and the investment property, the remainder of the Cathedral's funds are held as an investment portfolio. The investment policy was reviewed in July 2017 and is monitored for performance on a regular basis by the Finance and Investment Committee.

The overall objectives are to:

1. create sufficient income and capital growth to enable the Cathedral to carry out its mission
2. maintain its heritage buildings consistently year by year with due and proper consideration for future needs
3. maintain and, if possible, enhance the investment funds while they are retained

Unrestricted income and capital may be used at any time for the furtherance of the Cathedral's aims. The investment parameters for the funds are as follows:-

	No. 1 Account	No. 2 Account	Chapter
Performance in 2017 (total Return)	10.1%	6.1%	
Benchmark	10.3%	13.1% (FTSE all share)	
Financial Background	Moderate risk profile, balanced mandate.	Total return	
Investment Strategy	To achieve a reasonable diversification through a balanced fund, no property funds.	Total return with a diversification of 10-15 stocks	
Benchmarks	Individual asset class to be measured against relevant Market indices – overall portfolio against the WM constrained by income index.	Comparative indices for each asset class, overall against the FT All Share Index.	
Ethical Policy	No investment in arms, or tobacco. Alcohol in moderation.	No investment in arms, or tobacco. Alcohol in moderation.	

## REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

### Risk management

Chapter holds under constant review the major strategic, business and operational risks faced by the Cathedral. The Director of each area of the Cathedral (be that Music, Fabric, Finance or Volunteer management, etc.) is in charge of maintaining and reviewing their particular areas of risk. These are then discussed and reviewed formally each year in conjunction with the residential Clergy and also an expert in internal audit and risk management from Marshall of Cambridge, for which we are extremely grateful. Each Director will also discuss their principal risks and uncertainties and their methods of monitoring them and strategies to mitigate risks at least once a year with full Chapter.

A brief summary of our main risks along with the important strategies for mitigating these risks are:

Major Risk	Mitigation Strategy
Dependency on income from tourists.	Our offering to tourists is improving all the time with new exhibitions, new events (such as our Science Festival in 2017 and Flower Festival 2018) and a new digital modelling project of the Cathedral for visitors to interact with. In addition, social media campaigns are raising the Cathedrals profile.
Risk of failure to comply with health, safety and environmental legislation.	These responsibilities used to lie with various members of the management team. We have created a new role in 2017 for a Resources and Compliance Officer to oversee all aspects of legislation, reporting directly to the Administrator.
Safeguarding	We have a Safeguarding Officer who has support not just from a team from within the Cathedral but from the Diocese, too. All staff and volunteers are regularly trained in safeguarding every three years. All staff and volunteers must undergo suitable checks and references before they are able to work or volunteer in the Cathedral or any of our associated buildings or businesses.

### Statement of the Responsibilities of Chapter

Chapter is responsible, under requirements laid down by the Church Commissioners under the powers given them by Section 27 of the Cathedrals Measure 1999, for:-

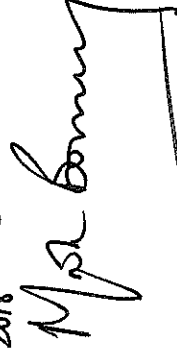
- preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities, stating that they have complied in all material respects with the guidelines prepared by the Association of English Cathedrals or describing which recommendations have not been complied with and giving reasons for non compliance;
- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time and safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

- (a) so far as the Chapter is aware, there is no relevant audit information of which the Cathedral's auditors are unaware, and
- (b) they have taken all the steps they ought to have taken as Chapter in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by Chapter on 16 May 2018 and signed on their behalf by:

The Very Reverend M Bonney





**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	2016 £000's
<b>Income and Endowments from:</b>	5					
(i) Donations and legacies		386	127	137	650	1,271
(ii) Grants in support of missions		-	634	-	634	1,193
(iii) Charges and fees arising in the course of mission		287	-	-	287	224
(iv) Trading and fundraising		1,943	-	-	1,943	1,892
(v) Investments		468	91	153	712	674
<b>Total Income</b>		<b>3,084</b>	<b>852</b>	<b>290</b>	<b>4,226</b>	<b>5,254</b>
<b>Expenditure on:</b>						
Raising funds						
(i) Ministry	6	1,693	-	-	1,693	1,600
(ii) Cathedral and precincts upkeep	7	740	128	-	868	839
(iii) Education and outreach	7	608	562	-	1,170	1,121
(iv) Community, parish and congregation	7	217	-	-	217	211
Other expenditure		85	-	-	85	81
		6	-	-	6	5
<b>Total Expenditure</b>		<b>3,349</b>	<b>690</b>	<b>-</b>	<b>4,039</b>	<b>3,857</b>
<b>Net (expenditure)/income before investment gains</b>		<b>(265)</b>	<b>162</b>	<b>290</b>	<b>187</b>	<b>1,397</b>
Net gains on investments	9	186	228	382	796	925
Revaluation		(181)	-	-	(181)	462
<b>Net (expenditure)/income</b>		<b>(260)</b>	<b>390</b>	<b>672</b>	<b>802</b>	<b>2,784</b>
Gross transfer between funds	15	458	(308)	(150)	-	-
<b>Net movement in funds</b>		<b>198</b>	<b>82</b>	<b>522</b>	<b>802</b>	<b>2,784</b>
<b>Reconciliation to funds:</b>						
Total funds brought forward		5,702	3,808	4,443	13,953	11,169
<b>Total funds carried forward</b>		<b>5,900</b>	<b>3,890</b>	<b>4,965</b>	<b>14,755</b>	<b>13,953</b>

The notes on pages 20 to 47 form part of these accounts

**STATEMENT OF FINANCIAL ACTIVITIES – CATHEDRAL ONLY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	2016 £000's
<b>Income and Endowments from:</b>	5					
(i) Donations and legacies		431	88	-	519	519
(ii) Grants in support of missions		-	1,021	-	1,021	1,496
(iii) Charges and fees arising in the course of mission		452	-	-	452	419
(iv) Trading and fundraising		594	-	-	594	564
(v) Investments		453	-	-	453	424
(vi) Other income		74	-	-	74	74
<b>Total income</b>		<u>2,004</u>	<u>1,109</u>	<u>-</u>	<u>3,113</u>	<u>3,496</u>
<b>Expenditure on:</b>						
Raising funds						
(i) Ministry	6	577	-	-	577	521
(ii) Cathedral and precincts upkeep	7	736	128	-	864	837
(iii) Education and outreach	7	574	595	-	1,169	1,116
(iv) Community, parish and congregation	7	216	-	-	216	209
	7	85	-	-	85	83
<b>Total Expenditure</b>		<u>2,188</u>	<u>723</u>	<u>-</u>	<u>2,911</u>	<u>2,766</u>
<b>Net (expenditure)/income before investment gains</b>		<u>(184)</u>	<u>386</u>	<u>-</u>	<u>202</u>	<u>730</u>
Net gains/ (losses) on investments	9	149	-	-	149	242
Revaluation		(181)	-	-	(181)	462
<b>Net income/(expenditure)</b>		<u>(216)</u>	<u>386</u>	<u>-</u>	<u>170</u>	<u>1,434</u>
Gross transfer between funds	15	391	(391)	-	-	-
<b>Net movement in funds</b>		<u>175</u>	<u>(5)</u>	<u>-</u>	<u>170</u>	<u>1,434</u>
<b>Reconciliation to funds:</b>						
Total funds brought forward		5,273	1,156	-	6,429	4,995
<b>Total funds carried forward</b>		<u>5,448</u>	<u>1,151</u>	<u>-</u>	<u>6,599</u>	<u>6,429</u>

The notes on pages 20 to 47 form part of these accounts

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2017

	Notes	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	2016 £000's
<b>Fixed assets</b>						
<b>Investment assets</b>						
Property	8	2,250	800	-	3,050	2,650
Investments	9	3,163	2,734	4,678	10,575	9,659
		5,413	3,534	4,678	13,625	12,309
<b>Non investment assets</b>						
Equipment and plant	10	563	244	-	807	600
Property		-	-	-	-	-
		563	244	-	807	600
<b>Total fixed assets</b>		5,976	3,778	4,678	14,432	12,909
<b>Current assets</b>						
Stocks	11	167	-	-	167	148
Debtors	12	210	22	40	272	289
Cash at bank and in hand	13	157	123	307	587	906
<b>Total current assets</b>		534	145	347	1,026	1,343
<b>Liabilities due within one year</b>						
Creditors	14	95	33	60	188	271
Bank loan	14	33	-	-	33	-
<b>Net current assets</b>		406	112	287	805	1,072
<b>Liabilities due after one year</b>						
Bank loan	14	454	-	-	454	-
<b>Provision for liabilities and charges</b>						
Multi-Employer Defined Benefit scheme liability	3	28	-	-	28	28
<b>Total net assets</b>		5,900	3,890	4,965	14,755	13,953
<b>The funds of the Cathedral:</b>						
General fund		5,162	-	-	5,162	4,794
Fabric fund		-	-	3,769	3,769	3,453
Music fund		34	2,951	1,196	4,181	3,877
Other funds		2	939	-	941	946
Revaluation reserve		702	-	-	702	883
<b>Total Cathedral funds</b>	15	5,900	3,890	4,965	14,755	13,953

Approved by Chapter on 16 May 2018 and signed on their behalf by:

The Very Reverend M Boinney  


The notes on pages 20 to 47 form part of these accounts

## BALANCE SHEET AT 31 DECEMBER 2017 – CATHEDRAL ONLY

	Notes	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	2016 £000's
<b>Fixed assets</b>						
<b>Investment assets</b>						
Property	8	2,250	800	-	3,050	2,650
Investments	9	2,721	-	-	2,721	2,552
		4,971	800	-	5,771	5,202
<b>Non investment assets</b>						
Equipment and plant	10	504	244	-	748	538
Property		-	-	-	-	-
		504	244	-	748	538
<b>Total fixed assets</b>		5,475	1,044	-	6,519	5,740
<b>Current assets</b>						
Stocks	11	4	-	-	4	4
Debtors	12	539	-	-	539	614
Cash at bank and in hand	13	89	107	-	196	321
<b>Total current assets</b>		632	107	-	739	939
<b>Liabilities due within one year</b>						
Creditors	14	144	-	-	144	222
Bank loan	14	33	-	-	33	-
<b>Net current assets</b>		455	107	-	562	717
<b>Liabilities due after one year</b>						
Bank loan	14	454	-	-	454	-
<b>Provision for liabilities and charges</b>						
Multi-Employer Defined Benefit scheme liability	3	28	-	-	28	28
<b>Total net assets</b>		5,448	1,151	-	6,599	6,429
<b>The funds of the Cathedral:</b>						
General fund		4,710	-	-	4,710	4,365
Music fund		34	212	-	246	235
Other funds		2	939	-	941	946
Revaluation reserve		702	-	-	702	883
<b>Total Cathedral funds</b>	15	5,448	1,151	-	6,599	6,429

Approved by Chapter on 16 May 2018 and signed on their behalf by:

*M J E Bonney*

The Very Reverend M Bonney

The notes on pages 20 to 47 form part of these accounts

**CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £000's	2016 £000's	2016 £000's
<b>Cash flows from operating activities:</b>				
Net cash provided (used in)/by operating activities	16		(26)	632
<b>Cash flows from investing activities:</b>				
Rents received net of costs		239		208
Investment income received net of costs		312		313
Proceeds from the sale of property, plant and equipment		-		-
Purchase of property, plant and equipment		(866)		(833)
Proceeds from sale of investments		505		731
Purchase of investments		(620)		(1,413)
			(430)	(994)
Net cash provided used in operating activities			(456)	(362)
<b>Cash flows from financing activities:</b>				
Receipt of endowment		137		236
Net cash provided by financing activities			137	236
Change in cash and cash equivalents in the reporting period	17		(319)	(126)
Cash and cash equivalents at the beginning of the reporting period	17		906	1,032
Cash and cash equivalents at the end of the reporting period	17		587	906

The notes on pages 20 to 47 form part of these accounts

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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**1. Principal Accounting Policies**
General

The Cathedral constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared on the basis of historical cost except that investments are stated in the balance sheet at market value.

Format of the Accounts

The format of the accounts and the principles on which they are prepared follow those required by the December 2014 Accounting and Reporting Regulations for English Anglican Cathedrals as specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 (The Guidelines) issued in December 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Consolidation

The results of the Cathedral's subsidiary company, Ely Cathedral Enterprises Ltd., and Ely Cathedral Trust, a charity established for the benefit of the Cathedral, are consolidated in these accounts on a line by line basis under the appropriate headings in accordance with The Guidelines.

The Cathedral Consolidated Financial Statements include Ely Cathedral Trust on the basis that the Trust is a "special trust" in accordance with Section 12 of the Charities Act 2011 and The Guidelines.

The Cathedral and Inventory

The Cathedral building, its monastic buildings and ancillary buildings, treasures and other items included in the Inventory are not shown in the accounts either as heritage assets or as assets not specifically used by the Cathedral – as per the Guidelines. The monastic buildings and ancillary buildings include the cloisters, chapter house, guest halls and Prior's buildings. These buildings are partly used by the staff as offices, the clergy and the trading subsidiary for the shops and restaurant. Due to the ancient nature of these buildings, their depreciated replacement cost is considered to be nil as their life is in excess of 900 years for certain properties. Further detail is given in note 2.1.

Properties

**Investment Properties-** Investment properties have been included in the accounts at their market value in accordance with The Guidelines.

In accordance with The Guidelines, Chapter have not included the monastic and ancillary buildings which are held for investment purposes as outlined above. However, the insurance value of these properties is included in a note to the accounts.

**Other Properties** - As detailed above, properties occupied by clergy, lay employees, trading outlets and administrative functions are not included in the accounts but the insurance valuation is included in a note.

**King's School insurance Properties** - Properties leased to the King's School are not included in the accounts. The values are not considered appropriate for accounting purposes. Given the nature of these very ancient properties they have no reliable cost information available and a conventional valuation approach is not considered reliable. Furthermore, due to the ancient nature of these buildings, their depreciated replacement cost is deemed £nil and they are not able to be disposed of by the Cathedral. The insurance value of these properties is included in a note to the accounts.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. Principal Accounting Policies (Continued)**Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Ely Cathedral Trust does not enter into put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investment income, gains and losses are allocated to the appropriate fund.

Fixed Assets

Plant, machinery, office equipment, loose tools, furniture and fittings and any other assets that are not included in the inventory are capitalised and written off over their estimated useful life as follows:-

Plant, machinery, equipment, furniture  
and fittings - over 5 – 10 years  
Computer equipment - over 3 years

Items below £500 are not capitalised and are written off in the Statement of Financial Activities.

Buildings under construction are held at cost and not depreciated. Once the asset is brought into use the asset will be transferred to freehold buildings and depreciation will be charged based on the above basis.

The cost of repairs and maintenance of the Cathedral are charged to the General Fund. Most of the major restoration works are funded by grants, donations or by Ely Cathedral Trust and are charged to restricted funds.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Income

All income is included in the Statement of Financial Activities (SoFA) when the Cathedral is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Legacies

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the Cathedral is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Cathedral that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Cathedral has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Cathedral. Where legacies have been notified or the Cathedral is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. Principal Accounting Policies (Continued)**Grants

Grants are recognised on an accruals basis. Grants are recognised when the Cathedral has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for a grant relating to the following year is deferred until the criteria for income recognition are met.

Donations and Other Income

Donations and other income are recognised at the point of receipt.

Third Party, Non-Cash Receipts and Payments, and Donated Assets

Amounts paid on behalf of the Cathedral are included in the Statement of Financial Activities under both income and expenditure. Where grants, donations (whether of cash or assets) and legacies are made subject to restrictions, they are included in the Statement of Financial Activities as income of restricted or endowment funds and matched against relevant expenditure. When the restricted amount relates to the purchase of a depreciable asset, the amount is credited to the restricted fund in the Statement of Financial Activities and an amount is debited to the fund each year in respect of the depreciation of the asset.

Resources Expended

All expenditure is accounted for on an accruals basis. Any irrecoverable VAT is charged in the Statement of Financial Activities or capitalised as part of the cost of the related asset as appropriate.

Governance costs include those incurred in the governance of the Cathedral and its assets and are primarily associated with constitutional and statutory requirements.

Support costs are those costs incurred directly in support of expenditure on the objects of the Cathedral.

Pension Contributions

The Chapter operates two money purchase defined contribution schemes. Pension contributions are charged to the Statement of Financial Activities when they are paid.

Ely Cathedral participates in the Church of England Funded Pensions Scheme. The Church of England Funded Pensions Scheme is a defined benefit scheme, but Ely Cathedral is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate which is charged to the Statement of Financial Activities when paid.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the Cathedral has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Funds**

Funds are divided between Unrestricted, Restricted and Endowment.

**Unrestricted Funds**

These can be applied for any of the purposes for which the Chapter was established. The main unrestricted fund is the General Fund through which are passed all the regular items of income and expenditure relating to the day-to-day running of the Cathedral.

Within unrestricted funds are Designated Funds which represent funds which Chapter has set aside for a specific purpose. Current designated funds relate to Music and the Flower Guild. If in due course they are not required for the specific purposes, they may be transferred back to the General Fund.

**Restricted Funds**

These may only be applied for particular purposes as specified by the donor or Cathedral statutes. Restricted Funds under the control of Chapter are set out in note 15. The main restricted fund is held by Ely Cathedral Trust.

**Endowment Funds**

All endowment funds are currently held by Ely Cathedral Trust; they are for the provision of income to provide for the continual maintenance of the Cathedral and its precincts and various funds to provide income towards chorister scholarships.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

**3. Employee Information**

The average weekly number of employees during the year, exclusive of clergy, was 42 (2016 – 40) full time and 168 (2016 - 175) part time. The full time equivalent number of employees was 65 (2016 – 65).

The total emoluments paid to employees (excluding benefits) were as follows:

	2017 £000's	2016 £000's
Salaries and stipends	1,703	1,600
Employer's National Insurance	119	103
Employer's pension contributions	74	39
	<u>1,896</u>	<u>1,742</u>

No member of staff received emoluments over £60,000.

The increase in total payroll (6.4%) is in large part attributable to Chapters continuing programme to raise the wage levels of the least well-paid employees to the living wage.

The Cathedral operates two money purchase defined contribution pension schemes. The two schemes are the Church Workers Pension Fund for which more detail is given on page 24 and NOW Pensions. NOW Pensions scheme was established as at 1 May 2014 as the auto enrolment scheme and is a qualifying workplace compliant group personal pension scheme. Contributions into the NOW Pensions scheme are 2.5% (2016-2.5%) employee contribution and 2.5% (2016 – 2.5%) employer contribution. Contributions made to the schemes during the year are detailed above. The number of employees to whom benefits are accruing under the scheme is 48 (2016 – 43).

The remuneration and pension provision for clerical members of Chapter is in accordance with scales laid down by the Church Commissioners, the Archbishop's Council and the Church of England Pensions Board.

The remuneration and pension contributions of the residentiary members of Chapter are set out below:-

	2017		2016	
	Stipend £000's	Pension £000's	Stipend £000's	Pension £000's
The Very Reverend M Bonney	35	12	34	11
The Reverend Canon Dr A L Hargrave (retired 31 January 2016)	-	-	3	1
The Reverend Canon Dr J Garrard	27	9	26	9
The Reverend Canon Dr V Johnson	27	9	26	9
The Reverend Canon Dr J Martin (appointed 10 Sept 16)	27	9	9	3

The Church Commissioners finance directly the stipend, pension and associated employer's national insurance of the Dean and two Canons. No remuneration is paid to non-residentiary members of Chapter.

Ely Cathedral participates in the Church of England Funded Pensions Scheme (CEFPS) for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

**3. Employee Information (continued)**

The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the CEFPS carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
  - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to two thirds by 31 December 2029, with the balance in return-seeking assets; and
  - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns of 2.6% p.a. on gilts and 4.6% p.a. on equities;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Post-retirement mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for future improvements in mortality rates from 2007 in line with the CMI 2015 core projections, with a long term annual rate of improvement of 1.5% for females and males

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the contribution rates (as a percentage of pensionable stipends) were set as follows:

% of pensionable stipends	1 January 2015 to 31 December 2015
Accrual of future service benefits (including expenses)	28%
Deficit repair contributions	11.9%
Total contribution rate	39.9%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement of our proportion of the scheme deficit is set out in the table below.

Balance sheet liability at 1 January	<b>2016</b>
Deficit contribution paid	31,000
Interest cost (recognised in SoFA)	-2,000
Remaining change to the balance sheet liability* (recognised in SoFA)	1,000
Balance sheet liability at 31 December	-2,000
	<u>28,000</u>

\*comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

The figures above represent the provision made at 31 December 2016, figures for 2017 are not yet available.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

**3. Employee Information (continued)**

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

% of pensionable stipends	December 2015	December 2014
Discount rate	2.5% pa	2.3% pa
Price inflation	2.4% pa	2.7% pa
Increase to total pensionable payroll	0.9% pa	1.2% pa

Dean & Chapter of Ely (PB 2014) participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

**Pension Builder Scheme**

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

5. Income (continued) <i>Consolidated (continued)</i>	2017			2016		
	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	Total £000's	Total £000's
(v) <b>Investments</b>						
Property	380	-	-	380		343
Investments (note 9)	88	91	153	332		331
	468	91	153	712		674
All 2016 income was unrestricted, except for investment income of which £92K which was restricted and £154K related to endowment.						
<b>Cathedral Only</b>						
	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	Total £000's	Total £000's
(i) <b>Donations and legacies</b>						
Congregational collections and giving	118	-	-	118		140
Donations	107	-	-	107		67
Tax recoverable under Gift Aid	45	-	-	45		35
Ely Cathedral Enterprises Limited	161	-	-	161		177
Income from the Friends and local trusts*	-	88	-	188		80
Legacies	-	-	-	-		20
	431	88	-	519		519
* In 2016, £80K was restricted and the remainder unrestricted.						
(ii) <b>Grants in support of missions</b>						
Church commissioners	-	147	-	147		148
Other grants	-	874	-	874		1,348
	-	1,021	-	1,021		1,496
All 2016 income was restricted.						
(iii) <b>Charges and fees arising in the course of mission</b>						
Facility and other fees	452	-	-	452		419
All 2016 income was unrestricted.						
(iv) <b>Trading and fundraising</b>						
Charges to visitors	537	-	-	537		485
Tax recoverable under Gift Aid	57	-	-	57		79
	594	-	-	594		564
All 2016 income was unrestricted.						

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

5. Income (continued)				2017	2016
<i>Cathedral</i> (continued)	Unrestricted	Restricted	Endowment	Total	Total
	£000's	£000's	£000's	£000's	£000's
(v) <b>Investments</b>					
Property	380	-	-	380	343
Investments (note 9)	73	-	-	73	81
	453	-	-	453	424
All 2016 income was unrestricted.					
(vi) <b>Other income</b>					
Miscellaneous income	74	-	-	74	74
All 2016 income was unrestricted.					
<b>6. Raising funds</b>					
<i>Consolidated</i>					
Cost of facilities for visitors	282	-	-	282	239
Gross costs of shop, refectory and other activities	1,113	-	-	1,113	1,077
Investment property costs	141	-	-	141	135
Investment management costs	19	-	-	19	18
Support costs	138	-	-	138	131
	1,693	-	-	1,693	1,600
All 2016 expenditure was unrestricted.					
<i>Cathedral Only</i>					
Cost of facilities for visitors	224	-	-	224	188
General marketing costs	57	-	-	57	51
Investment property costs	140	-	-	140	135
Investment management costs	19	-	-	19	18
Support costs	137	-	-	137	129
	577	-	-	577	521
All 2016 expenditure was unrestricted.					

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7. Expenditure on mission <i>Consolidated</i>	Unrestricted £000's	Restricted £000's	Endowment £000's	2017 Total £000's	2016 £000's
(i) <b>Ministry-</b>					
Clergy stipends and working expenses	46	128	-	174	155
Clergy housing costs	32	-	-	32	36
Services, music and congregational costs	487	-	-	487	485
Support costs	175	-	-	175	163
	<u>740</u>	<u>128</u>	<u>-</u>	<u>868</u>	<u>839</u>
In 2016 £127K of clergy stipends was restricted and all other expenditure was unrestricted.					
(ii) <b>Cathedral and precincts upkeep</b>					
Major repairs and restoration	58	450	-	508	497
Maintenance and interior upkeep	314	112	-	426	399
Cathedral insurance	70	-	-	70	65
Precincts, security and gardens upkeep	27	-	-	27	28
Support costs	139	-	-	139	132
	<u>608</u>	<u>562</u>	<u>-</u>	<u>1,170</u>	<u>1,121</u>
In 2016 £353K of major repairs was restricted and all other expenditure was unrestricted.					
(iii) <b>Education and outreach</b>					
Educational activities	45	-	-	45	47
Support costs	172	-	-	171	164
	<u>217</u>	<u>-</u>	<u>-</u>	<u>217</u>	<u>211</u>
In 2016 all expenditure was unrestricted.					
(iv) <b>Community and congregation</b>	85	-	-	85	81
In 2016 all expenditure was unrestricted.					
<b>Cathedral Only</b>					
(i) <b>Ministry</b>					
Clergy stipends and working expenses	46	128	-	174	155
Clergy housing costs	32	-	-	32	36
Services, music and congregational costs	487	-	-	487	485
Support costs	171	-	-	171	161
	<u>736</u>	<u>128</u>	<u>-</u>	<u>864</u>	<u>837</u>
In 2016 £127K of clergy stipends was restricted and all other expenditure was unrestricted.					



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7. Expenditure on mission (continued) <i>Cathedral Only (continued)</i>	Unrestricted		Restricted	Endowment	2017	2016
	£000's	£000's	£000's	£000's	Total £000's	£000's
(ii) <b>Cathedral and precincts upkeep</b>						
Major repairs and restoration	59	450	-	-	509	497
Maintenance and interior upkeep	281	145	-	-	426	399
Cathedral insurance	70	-	-	-	70	65
Precincts, security and gardens upkeep	27	-	-	-	27	25
Support costs	137	-	-	-	137	130
	<u>574</u>	<u>595</u>	-	-	<u>1,169</u>	<u>1,116</u>
In 2016 £353K of major repairs was restricted and all other expenditure was unrestricted						
(iii) <b>Education and outreach</b>						
Educational activities	45	-	-	-	45	48
Support costs	171	-	-	-	171	161
	<u>216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216</u>	<u>209</u>
In 2016 all expenditure was unrestricted.						
(iv) <b>Community, parish and congregation</b>	85	-	-	-	85	83
In 2016 all expenditure was unrestricted.						

In accordance with the requirements of the accounting guidelines for Cathedrals, administration costs have been re-analysed as support costs and allocated to the activities which they directly support.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. Investment Assets Property	2017			2016		
	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	Total £000's	Total £000's
<b>Consolidated</b>						
At valuation 1 January 2017	1,850	800	-	2,650	1,375	1,375
Additions	581	-	-	581	813	813
Movement in valuation	(181)	-	-	(181)	462	462
At valuation 31 December 2017	2,250	800	-	3,050	2,650	2,650
<b>Cathedral Only</b>						
At valuation 1 January 2017	1,850	800	-	2,650	1,375	1,375
Additions	581	-	-	581	813	813
Movement in valuation	(181)	-	-	(181)	462	462
At valuation 31 December 2017	2,250	800	-	3,050	2,650	2,650

The addition in the year relates to work on a donated asset – Grace Building, High Street, Ely, Cambs. The investment assets were assessed for revaluation as at 31 December 2017. The Grace Building was subject to a formal external valuation by Cheffins, Clifton House, 1&2 Clifton Road, Cambridge on an open market value basis resulting in a reduction of £187k. Other assets were subject to an internal valuation and no changes made.

9. Investments	2017			2016		
	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	Total £000's	Total £000's
<b>Consolidated</b>						
Market value at 1 January 2017	2,957	2,506	4,196	9,659	8,052	8,052
Additions	516	-	100	616	1,413	1,413
Disposals	(498)	-	-	(498)	(734)	(734)
Realised gains/(losses)	(17)	-	-	(17)	(8)	(8)
Unrealised gains/(losses)	203	228	382	813	933	933
Accrued interest	2	-	-	2	3	3
Market value at 31 December 2017	3,163	2,734	4,678	10,575	9,659	9,659
Analysed as follows:						
UK Fixed Interest Securities				277	283	283
Quoted UK Equities				1,615	1,652	1,652
Quoted Overseas Equities				729	539	539
Alternative markets				100	78	78
The CBF Church of England Investments Fund				7,854	7,107	7,107
				10,575	9,659	9,659

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9. Investments (continued) <i>Cathedral only</i>	Unrestricted £000's	Restricted £000's	Endowment £000's	2017	
				Total £000's	2016 £000's
Market value at 1 January 2017	2,552	-	-	2,552	2,329
Additions	516	-	-	516	712
Disposals	(498)	-	-	(498)	(734)
Realised gains/(losses)	(17)	-	-	(17)	(8)
Unrealised gains/(losses)	166	-	-	166	250
Accrued interest	2	-	-	2	3
Market value at 31 December 2017	2,721	-	-	2,721	2,552
Analysed as follows:					
Overseas Fixed Interest Securities					
UK Fixed Interest Securities				277	283
Quoted UK Equities				1,615	1,652
Quoted Overseas Equities				729	539
Ely Cathedral Enterprises Ltd (£2 share capital)				-	-
Alternative markets				100	78
				2,721	2,552

Income from investments is analysed as follows:

	Cathedral		Consolidated	
	2017 £000's	2016 £000's	2017 £000's	2016 £000's
UK Interest	11	15	11	15
UK Unit Trust Interest	4	2	4	2
UK Dividends	48	50	48	50
UK Unit Trust Dividends	-	1	-	1
Overseas Dividends	6	9	6	9
Real Estate Investment Trusts	4	4	4	4
The CBF Church of England Investments Fund	-	-	259	250
Total Return on Investments (excluding property)	73	81	332	331

(see also note 5. (v) Page 26 and 27)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. Non-Investment Assets Equipment and Plant	Unrestricted £000's	Restricted £000's	Endowment £000's	2017 Total £000's	2016 £000's
<b>Consolidated</b>					
Cost:					
At 1 January 2017	1,596	153	-	1,749	1,729
Additions	75	206	-	281	20
Disposals	-	-	-	-	-
At 31 December 2017	<u>1,671</u>	<u>359</u>	-	<u>2,030</u>	<u>1,749</u>
Depreciation:					
At 1 January 2017	1,035	114	-	1,149	1,058
For the year	73	1	-	74	91
Disposals	-	-	-	-	-
At 31 December 2017	<u>1,108</u>	<u>115</u>	-	<u>1,223</u>	<u>1,149</u>
Net Book Value:					
At 31 December 2017	<u>563</u>	<u>244</u>	-	<u>807</u>	<u>600</u>
At 1 January 2017	<u>561</u>	<u>39</u>	-	<u>600</u>	<u>671</u>
<b>Cathedral</b>					
Cost:					
At 1 January 2017	1,359	153	-	1,512	1,497
Additions	73	206	-	279	15
Disposals	-	-	-	-	-
At 31 December 2017	<u>1,432</u>	<u>359</u>	-	<u>1,791</u>	<u>1,512</u>
Depreciation:					
At 1 January 2017	860	114	-	974	890
For the year	68	1	-	69	84
Disposals	-	-	-	-	-
At 31 December 2017	<u>928</u>	<u>115</u>	-	<u>1,043</u>	<u>974</u>
Net Book Value:					
At 31 December 2017	<u>504</u>	<u>244</u>	-	<u>748</u>	<u>538</u>
At 1 January 2017	<u>499</u>	<u>39</u>	-	<u>538</u>	<u>607</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

<b>11. Stocks</b>			
<i>Consolidated</i>		<b>2017</b>	<b>2016</b>
		<b>£000's</b>	<b>£000's</b>
Consumables	4	4	4
Trading outlets	163	144	144
	<u>167</u>	<u>148</u>	<u>148</u>
<b>Cathedral</b>			
Consumables	4	4	4
	<u>4</u>	<u>4</u>	<u>4</u>
<b>12. Debtors and prepayments</b>			
<i>Consolidated</i>		<b>2017</b>	<b>2016</b>
		<b>£000's</b>	<b>£000's</b>
Sundry debtors and prepayments	269	286	286
Income tax recoverable	3	3	3
	<u>272</u>	<u>289</u>	<u>289</u>
<b>Cathedral</b>			
Sundry debtors and prepayments	195	211	211
Ely Cathedral Trust	94	139	139
Ely Cathedral Enterprises Ltd	250	264	264
	<u>539</u>	<u>614</u>	<u>614</u>
<b>13. Cash at bank and in hand</b>			
<i>Consolidated</i>		<b>2017</b>	<b>2016</b>
		<b>£000's</b>	<b>£000's</b>
Bank accounts	271	500	500
Cash in hand	6	6	6
Investment fund cash and deposits	310	400	400
	<u>587</u>	<u>906</u>	<u>906</u>
<b>Cathedral</b>			
Bank accounts	161	141	141
Cash in hand	4	4	4
Investment fund cash and deposits	31	176	176
	<u>196</u>	<u>321</u>	<u>321</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

**14. Sundry creditors and accruals**  
***Consolidated***

	2017 £000's	2016 £000's
Sundry creditors and accruals	150	200
Tax and social security costs	38	71
	<u>188</u>	<u>271</u>
Bank loan	33	-
	<u>221</u>	<u>271</u>

***Cathedral***Sundry creditors and accruals  
Tax and social security costs

	112	157
	32	65

Bank loan

	144	222
	33	-

	<u>177</u>	<u>222</u>
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**Liabilities due after 1 year**  
***Consolidated and Cathedral***

Bank loan	454	-
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Bank loans totalling £487k are secured on the Grace Building (note 8). The loan is repayable in equal instalments over 15 years at an interest rate of 2.690% above base.

The debt falls due as follows:

Within 1 year	33
Between 1 and 2 years	33
Between 2 and 5 years	99
After 5 years	322
	<u>477</u>

**15. Funds analysis**  
***Consolidated***

	Unrestricted £000's	Restricted £000's	Endowment £000's	2017 Total £000's	2016 £000's
General fund	5,162	-	-	5,162	4,794
Fabric fund	-	-	3,769	3,769	3,453
Music fund	34	2,951	1,196	4,181	3,877
Other funds	2	939	-	941	946
Revaluation reserve	702	-	-	702	883
	<u>5,900</u>	<u>3,890</u>	<u>4,965</u>	<u>14,755</u>	<u>13,953</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

**2016 Consolidated**

	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's
General fund	4,794	-	-	4,794
Fabric fund	-	-	3,453	3,453
Music fund	23	2,864	990	3,877
Other funds	2	944	-	946
Revaluation reserve	883	-	-	883
	<u>5,702</u>	<u>3,808</u>	<u>4,443</u>	<u>13,953</u>

	Unrestricted £000's	Restricted £000's	Endowment £000's	2017 Total £000's	2016 Total £000's
<b>Cathedral only</b>					
General fund	4,710	-	-	4,710	4,365
Music fund	34	212	-	246	235
Other funds	2	939	-	941	946
Revaluation reserve	702	-	-	702	883
	<u>5,448</u>	<u>1,151</u>	<u>-</u>	<u>6,599</u>	<u>6,429</u>

	Unrestricted £000's	Restricted £000's	Endowment £000's	2016 Total £000's
<b>Cathedral only</b>				
General fund	4,365	-	-	4,365
Music fund	23	212	-	235
Other funds	2	944	-	946
Revaluation reserve	883	-	-	883
	<u>5,273</u>	<u>1,156</u>	<u>-</u>	<u>6,429</u>

**Cathedral Only**

Unrestricted Funds	Balance at 1 January 2017 £000's	Net movement in the year £000's	Transfers £000's	Balance at 31 December 2017 £000's
General Fund	4,365	(46)	391	4,710
Music	23	11	-	34
Flower Guild	2	-	-	2
Revaluation reserve	883	(181)	-	702
	<u>5,273</u>	<u>(216)</u>	<u>391</u>	<u>5,448</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

<u>Unrestricted Funds</u>	Balance at 1 January 2016 £000's	Net movement in the year £000's	Balance at 31 December 2016 £000's
General Fund	4,229	136	4,365
Music	38	(15)	23
Flower Guild	2	-	2
Revaluation reserve	421	462	883
	<u>4,690</u>	<u>583</u>	<u>5,273</u>

**Funds analysis**  
***Cathedral Only***

Restricted Funds	Balance at 1 January 2017 £000's	Net movement in the year £000's	Transfers £000's	Balance at 31 December 2017 £000's
Donated Assets	840	(1)	-	839
Maintenance projects	104	387	(391)	100
Music fund	212	-	-	212
	<u>1,156</u>	<u>386</u>	<u>(391)</u>	<u>1,151</u>

Transfers in the period relate to spend on capital projects not included in the Statement of Financial Activities.

***Cathedral Only***

Restricted Funds	Balance at 1 January 2016 £000's	Net movement in the year £000's	Transfers £000's	Balance at 31 December 2016 £000's
Donated Assets	40	800	-	840
Maintenance projects	53	283	(232)	104
Music fund	212	-	-	212
	<u>305</u>	<u>1,083</u>	<u>(232)</u>	<u>1,156</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

16. Reconciliation of net cash inflow from operating activities	2017	2016
<i>Consolidated</i>	£000's	£000's
Net income before revaluations and disposals of property and investments (see page 13)	187	1,397
Income from property and investments	(712)	(674)
Property management costs, rental collection fees and investment management costs	160	153
Gift of endowment	(137)	(236)
Depreciation	74	91
(Increase)/Decrease in stocks	(19)	(51)
(Increase)/Decrease in debtors	17	(92)
Increase/(Decrease) in creditors	404	44
Provisions for liabilities and charges	-	-
	<u>(26)</u>	<u>632</u>
Net cash inflow/(outflow) from operating activities (see page 17)		

17. Reconciliation of net cashflow to movements in net cash	2017	2016
<i>Consolidated</i>	£000's	£000's
Decrease in cash in year	(229)	(120)
(Decrease)/Increase in short term deposits	(90)	(6)
<b>(Decrease) in net funds for the year</b>	<u>(319)</u>	<u>(126)</u>
Net Cash at 1 January 2017	906	1,032
Net Cash at 31 December 2017	<u>587</u>	<u>906</u>

18. Analysis of changes in net cash	At 1 January	At 31 December
	2017	2017
	£000's	£000's
Cash at bank and in hand	506	277
Cash held as investment assets	400	310
	<u>906</u>	<u>587</u>
		<u>Cash flow</u>
		£000's
		(229)
		(90)
		<u>(319)</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

**19. Subsidiary company**

Chapter has a wholly owned subsidiary company, Ely Cathedral Enterprises Ltd, a company incorporated in England and Wales. The principal activities of the company are the sale of books, souvenirs and the provision of refreshments and catering services.

Chapter holds 2 ordinary £1 shares in the company, being 100% of the issued share capital.

A summary of the trading results is shown below:

	2017 £000's	2016 £000's
<b>Turnover</b>		
Cost of sales	1,349 (505)	1,328 (485)
<b>Gross profit</b>	844	843
Administrative expenses	683	(666)
<b>Profit on ordinary activities before gift aid</b>	161	177
Gift aid – profits transferred to the Cathedral	161	177

A summary of the balance sheet is shown below:

	2017 £000's	2016 £000's
Fixed assets		
Stocks	60	61
Debtors	163	144
Cash at bank and in hand	13	10
Creditors	62	94
	(298)	(309)
<b>Total funds (£2)</b>	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

## 20. Connected entities

Not controlled by the Chapter

The Friends of Ely Cathedral CIO is a charity that is wholly for the benefit of the Cathedral but is not controlled by Chapter. Details of the latest unaudited accounts of this charity, which are not consolidated into these accounts, are summarised below:

<i>Statement of Financial Activities</i>	2017 £000's	2016 £000's
Income	106	80
Net income for year	(135)	25
Other recognised gains/(losses)	85	91
Net movement in funds	(50)	116
Amounts paid to Ely Cathedral	204	26

**Balance Sheet**

Investments  
Net current assets

Total funds

1,029	943
(8)	128
1,021	1,071

Controlled by the Chapter

The Ely Cathedral Trust is a charity that is wholly for the benefit of the Cathedral. The Trustees are appointed by Chapter but exercise full control over the Trust. Details of the latest audited accounts of this charity, which are consolidated into these accounts, are summarised below:

<i>Statement of Financial Activities</i>	2017 £000's	2016 £000's
Income	586	1,186
Net income for the year	(14)	667
Other recognised gains	647	684
Net movement in funds	633	1,351
Amounts paid to Ely Cathedral (note 24)	581	498

**Balance Sheet**

Investments  
Net current assets

Total funds

7,855	7,108
302	417
8,157	7,525

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017****21. Properties*****Investment properties***

As stated in Note 1, Chapter has obtained market valuations on all investment properties which are occupied by third parties. In addition there are other properties that are used by the Cathedral and its trading subsidiary which as stated in note 1 are at fully depreciated value. All of these properties have an insurance valuation, based on the cost of rebuilding, of £9,153,980 (2016 - £8,862,221). The investment assets were considered for revaluation as at 31 December 2017. After taking advice from property agents, changes to property values were required and the valuation decreased in accordance with note 8.

***Other properties***

Chapter is also responsible for five properties occupied by clergy of the Cathedral. These properties have an insurance valuation, based on the cost of rebuilding, of £14,696,664 (2016 - £14,169,539). None of these properties is let at a market rent.

The office and administration accommodation used by Chapter has an insurance valuation of £4,537,069 (2016 - £4,362,567).

The premises occupied by the Cathedral's trading outlets are charged a commercial rent amounting to £62,500 (2016 - £62,500). The Cathedral Shop and Refectory are located in the Cathedral itself and have no separate insurance value. The Almony Restaurant and Old Choir House Shop have an insurance value of £3,274,106 (2016 - £3,148,179).

None of the properties, other than certain investment properties, are included in the Cathedral's balance sheet as explained in the accounting policies section.

***King's Ely properties***

Chapter leases properties to King's Ely. Four of these properties form part of an agreement whereby a nominal rent is charged in return for the School being responsible for the maintenance, upkeep and restoration of these properties. The properties occupied by King's Ely have an insurance value of £ 19,618,800 (2016 - £19,618,800), and during the year the Cathedral received rents of £44,202 (2016 - £44,202) which are included in property income.

None of these properties is included in the Cathedral's balance sheet, as explained in the accounting policies section.

**22. Related Party Transactions**

During the year, the Cathedral undertook a number of transactions with King's Ely.

Rent paid to Cathedral £44,202 (2016 - £44,202)

Cathedral cost of educating Choristers £183,793 (2016 - £183,681)

The Dean of Ely Cathedral is an ex-officio governor of King's Ely.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

23. Future commitments  
*Consolidated & Cathedral*

	2017 £000's	2016 £000's
Contracted for	502	84

The contracted commitment in 2017 represented the remaining components for the South Nave Aisle project. The total cost of the project is expected to be £850k and the final £502k will be spent in 2018. Of this £850k we have been fortunate to have raised £615k in grants and donations, the largest of which has been £500k from the WWI Centenary Fund.

The contracted commitments in 2016 represented the remaining components of the rewiring of the Cathedral.

24. Consolidated Entities

The following transactions between Ely Cathedral and Ely Cathedral Trust have been eliminated on consolidation.

	2017	2016
Fabric and maintenance grant	344,578	249,996
Music appeal	100,000	100,000
Scholarships	64,610	95,265
Charitable grant	71,496	53,095

The above amounts were paid by Ely Cathedral Trust to Ely Cathedral. The amount owed by Ely Cathedral Trust at 31 December 2017 to Ely Cathedral Chapter totalled £94,035 (2016 – £138,911).

The following transactions between Ely Cathedral and Ely Cathedral Enterprises Limited have been eliminated on consolidation.

	2017	2016
Gift aid profits	161,486	177,076
Property income and other recharges	74,000	74,004

The above amounts were paid by Ely Cathedral Enterprises Limited to Ely Cathedral. The amount owed by Ely Cathedral Enterprises Limited at 31 December 2017 to Ely Cathedral Chapter totalled £256,905 (2016 - £264,064).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

26. Comparative Statement of Financial Activities  
*Consolidated*

	Unrestricted £000's	2016		Total £000's
		Restricted £000's	Endowment £000's	
<b>Income and Endowments from:</b>				
(i) Donations and legacies	797	238	236	1,271
(ii) Grants in support of missions	-	1,193	-	1,193
(iii) Charges and fees arising in the course of mission	224	-	-	224
(iv) Trading and fundraising	1,892	-	-	1,892
(v) Investments	428	92	154	674
<b>Total Income</b>	<b>3,341</b>	<b>1,523</b>	<b>390</b>	<b>5,254</b>
<b>Expenditure on:</b>				
Raising funds	1,600	-	-	1,600
(i) Ministry	712	127	-	839
(ii) Cathedral and precincts upkeep	768	353	-	1,121
(iii) Education and outreach	211	-	-	211
(iv) Community, parish and congregation	81	-	-	81
Other expenditure	5	-	-	5
<b>Total Expenditure</b>	<b>3,377</b>	<b>480</b>	<b>-</b>	<b>3,857</b>
<b>Net (expenditure)/income before investment gains</b>	<b>(36)</b>	<b>1,043</b>	<b>390</b>	<b>1,397</b>
Net gains/ (losses) on investments	252	250	423	925
Revaluation	475	(13)	-	462
<b>Net income/(expenditure)</b>	<b>691</b>	<b>1,280</b>	<b>813</b>	<b>2,784</b>
Gross transfer between funds	193	(1)	(192)	-
<b>Net movement in funds</b>	<b>884</b>	<b>1,279</b>	<b>621</b>	<b>2,784</b>
<b>Reconciliation to funds:</b>				
Total funds brought forward	4,818	2,529	3,822	11,169
<b>Total funds carried forward</b>	<b>5,702</b>	<b>3,808</b>	<b>4,443</b>	<b>13,953</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

26. Comparative Statement of Financial Activities (continued)  
*Cathedral Only*

	2016			Total £000's
	Unrestricted £000's	Restricted £000's	Endowment £000's	
<b>Income and Endowments from:</b>				
(i) Donations and legacies	439	80	-	519
(ii) Grants in support of missions	-	1,496	-	1,496
(iii) Charges and fees arising in the course of mission	419	-	-	419
(iv) Trading and fundraising	564	-	-	564
(v) Investments	424	-	-	424
(vi) Other income	74	-	-	74
<b>Total income</b>	<b>1,920</b>	<b>1,576</b>	<b>-</b>	<b>3,496</b>
<b>Expenditure on:</b>				
Raising funds				
(i) Ministry	521	-	-	521
(ii) Cathedral and precincts upkeep	710	127	-	837
(iii) Education and outreach	763	353	-	1,116
(iv) Community, parish and congregation	209	-	-	209
Other expenditure	83	-	-	83
	-	-	-	-
<b>Total Expenditure</b>	<b>2,286</b>	<b>480</b>	<b>-</b>	<b>2,766</b>
<b>Net (expenditure)/income before investment gains</b>	<b>(366)</b>	<b>1,096</b>	<b>-</b>	<b>730</b>
Net gains/ (losses) on investments	242	-	-	242
Revaluation	475	(13)	-	462
<b>Net income/(expenditure)</b>	<b>351</b>	<b>1,083</b>	<b>-</b>	<b>1,434</b>
Gross transfer between funds	232	(232)	-	-
<b>Net movement in funds</b>	<b>583</b>	<b>851</b>	<b>-</b>	<b>1,434</b>
<b>Reconciliation to funds:</b>				
Total funds brought forward	4,690	305	-	4,995
<b>Total funds carried forward</b>	<b>5,273</b>	<b>1,156</b>	<b>-</b>	<b>6,429</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

27. Comparative Balance sheet (continued)  
*Consolidated*

	2016			Total £000's
	Unrestricted £000's	Restricted £000's	Endowment £000's	
<b>Investment assets</b>				
Property	1,850	800	-	2,650
Investments	2,957	2,506	4,196	9,659
	<u>4,807</u>	<u>3,306</u>	<u>4,196</u>	<u>12,309</u>
<b>Non investment assets</b>				
Equipment and plant	561	39	-	600
Property	-	-	-	-
	<u>561</u>	<u>39</u>	<u>-</u>	<u>600</u>
<b>Total fixed assets</b>	<u>5,368</u>	<u>3,345</u>	<u>4,196</u>	<u>12,909</u>
<b>Current assets</b>				
Stocks	148	-	-	148
Debtors	222	25	42	289
Cash at bank and in hand	127	490	289	906
	<u>497</u>	<u>515</u>	<u>331</u>	<u>1,343</u>
<b>Liabilities due within one year</b>				
Creditors	135	52	84	271
	<u>362</u>	<u>463</u>	<u>247</u>	<u>1,072</u>
<b>Provision for liabilities and charges</b>				
Multi-Employer Defined Benefit scheme liability	28	-	-	28
	<u>5,702</u>	<u>3,808</u>	<u>4,443</u>	<u>13,953</u>
<b>Total net assets</b>	<u>5,702</u>	<u>3,808</u>	<u>4,443</u>	<u>13,953</u>
<b>The funds of the Cathedral:</b>				
General fund	4,794	-	-	4,794
Fabric fund	-	-	3,453	3,453
Music fund	23	2,864	990	3,877
Other funds	2	944	-	946
Revaluation reserve	883	-	-	883
	<u>5,702</u>	<u>3,808</u>	<u>4,443</u>	<u>13,953</u>
<b>Total Cathedral funds</b>	<u>5,702</u>	<u>3,808</u>	<u>4,443</u>	<u>13,953</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

27. Comparative Balance sheet (continued)  
*Cathedral Only*

	Unrestricted £000's	Restricted £000's	2016 Endowment £000's	Total £000's
<b>Fixed assets</b>				
<b>Investment assets</b>				
Property	1,850	800	-	2,650
Investments	2,552	-	-	2,552
	<u>4,402</u>	<u>800</u>	<u>-</u>	<u>5,202</u>
<b>Non investment assets</b>				
Equipment and plant	499	39	-	538
Property	-	-	-	-
	<u>499</u>	<u>39</u>	<u>-</u>	<u>538</u>
<b>Total fixed assets</b>	<b>4,901</b>	<b>839</b>		<b>5,740</b>
<b>Current assets</b>				
Stocks	4	-	-	4
Debtors	614	-	-	614
Cash at bank and in hand	4	317	-	321
	<u>622</u>	<u>317</u>	<u>-</u>	<u>939</u>
<b>Liabilities due within one year</b>				
Creditors	222	-	-	222
	<u>400</u>	<u>317</u>	<u>-</u>	<u>717</u>
<b>Net current assets</b>	<b>222</b>	<b>-</b>	<b>-</b>	<b>28</b>
<b>Provision for liabilities and charges</b>				
Multi-Employer Defined Benefit scheme liability	5,273	1,156	-	6,429
	<u>4,365</u>	<u>212</u>	<u>-</u>	<u>4,365</u>
<b>The funds of the Cathedral:</b>				
General fund	23	944	-	946
Music fund	2	-	-	2
Other funds	883	-	-	883
Revaluation reserve				
	<u>5,273</u>	<u>1,156</u>	<u>-</u>	<u>6,429</u>
<b>Total Cathedral funds</b>	<b>5,273</b>	<b>1,156</b>	<b>-</b>	<b>6,429</b>

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE CHAPTER OF ELY CATHEDRAL**

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**Opinion**

We have audited the financial statements of Ely Cathedral for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Cathedral statement of financial statement of financial activities, the Cathedral balance sheet, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Chapter members, as a body, in accordance with Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken for no purpose other than to draw the attention of the Chapter members to those matters which are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chapter and the Chapter members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Cathedral's affairs as at 31 December 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the guidelines specified by the Church Commissioners under the power given to them by Section 27 of the Cathedrals Measure 1999.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chapter uses of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chapter has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE CHAPTER OF ELY CATHEDRAL**

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**Other information**

The Chapter is responsible for the other information. The other information comprises the information included in the Chapters annual report , other than the financial statements and our auditors report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following where the Cathedral Measures 1999 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Chapters' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Chapter**

As explained more fully in the Chapter responsibilities statement set out on page 12, the Chapter is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Chapter determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chapter is responsible for assessing the Cathedral's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chapter either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE CHAPTER OF ELY CATHEDRAL**

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**Auditors responsibilities for the audit of the financial statements**

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting and reporting regulations for English Anglican Cathedrals (February 2105) specified by the Church Commissioners under the powers given to them by Section 27 of the Cathedrals Measure 1999. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the Cathedral has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Price Bailey*

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Dated: *21 May 2017*